Downtown Revitalization Program

an Introduction

A Message from the Minister

I am very pleased to have the opportunity of introducing you to the British Columbia Downtown Revitalization Program. As you read through this brochure, you will become acquainted with the program, what it has to offer, and how you may take advantage of it.

The decline of downtown core areas has been a matter of concern throughout North America. We in the Ministry believe that we can now, through this program, not only combat this decline, but re-build and re-design our core areas to suit the needs and interests of the people of British Columbia.

The province and its Ministry of Municipal Affairs have now made available significant financial assistance and advisory services for renewal activity in downtown areas. As well, a framework has been developed to enable municipalities to use their resources in co-operation with the activities of community groups and to co-ordinate downtown improvement with the many other services and transit programs of the Ministry.

I must emphasize that revitalization is a demanding local process. It involves much more than physical beautification. A strong and sustained local commitment to organization, promotion and management is essential. This can only be accomplished through the active, spontaneous involvement of municipal officials and the business community. The provincial assistance programs described in this brochure can help the process to succeed, but they cannot produce any useful results without it.

There are four approaches in the Downtown Revitalization Program to providing financial assistance for revitalization of a downtown area:

- organization and promotion grants are available to municipalities or groups recommended by municipalities;
- Private Premises Improvements grants may be available to upgrade downtown building facades;
- municipalities may obtain favourable loans from the province to undertake municipal works in

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downtown areas; and
- there are loans for Special Areas and special projects.

Individually or together these provincial assistance measures will make the task of revitalization much easier to organize and finance. I trust that they will also contribute to the achievement of other goals which in my opinion are integral components of revitalization. Here I am talking about redevelopment which recognizes the special needs of handicapped people and which makes provision for energy conservation and public transit access. Recognition of these needs will add important human and economic dimensions to the revitalization process.

I firmly believe that the greatest guarantee for accountability in all of our programs is to get the decision-making as close as possible to the people affected by decisions made. I believe that the Downtown Revitalization Program is one more step in that direction.

I encourage you to familiarize yourself with the program as it is described in the following pages, and to find out what part you can play in the renewal of British Columbia's downtown districts.

Honourable William N. Vander Zalm,
Minister of Municipal Affairs

Introduction

British Columbia has not escaped the North American trend of the last several decades towards the deterioration of downtown centres. Many of our downtown core areas suffer from a loss of residential population and the erosion of retail activity. In some cases, the competition of suburban shopping centres has been the cause of the deterioration of downtown shopping activities.

From experience both inside and outside British Columbia, we now know that the decay of such areas is not a necessary price to pay for progress. Sometimes a decline in a downtown centre is simply a stage in its changing function, as population concentrations shift. Instead of competing with the general services supplied by shopping centres, many downtown districts gradually acquire a specialty character, offering business, personal, social, entertainment, and cultural services to the community. However, concern over the energy costs of fragmented communities, as well as the permanent erosion of community character which often accompanies this fragmentation, has added new urgency to the movement towards revitalizing downtown core areas. In order to encourage and support revitalization activities, the B.C. Ministry of Municipal Affairs has developed the Downtown Revitalization Program.

The decline of our centres is reversible, and the good health of our downtown core areas benefits the quality of life of all B.C. residents. The Downtown Revitalization Program reflects these beliefs and the traditional British Columbia values of self-help and pride of accomplishment.

What is the B.C. Downtown Revitalization Program?

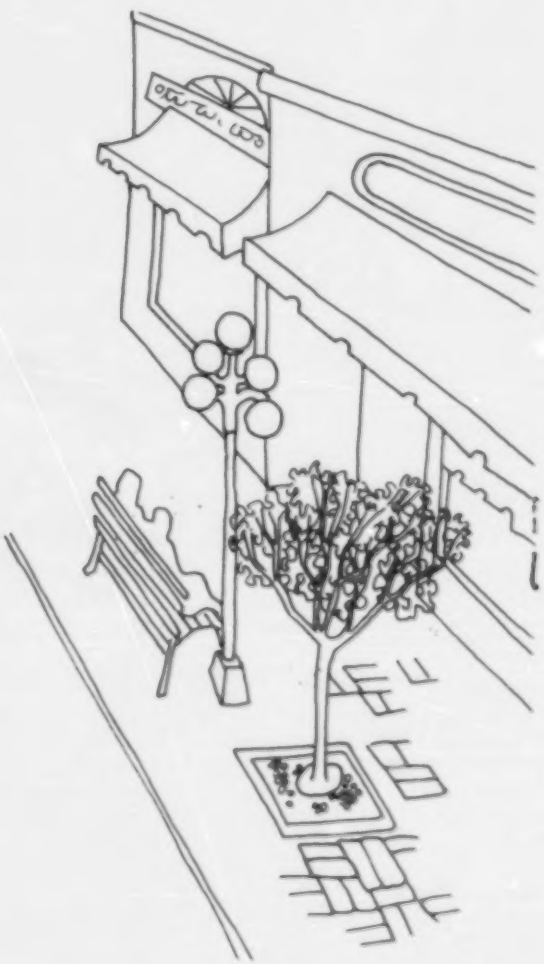
The Downtown Revitalization Program provides an opportunity and funding program through which communities and municipal councils can plan improvements and services in order to revitalize downtown core areas of British Columbia municipalities. By making funds available through the **1980 Special Funds Act,** the province and the Ministry of Municipal Affairs intends to accelerate the self-help process on which the revitalization of downtown areas depends.

You should remember that revitalization does not occur through physical beautification alone, but is a

matter of a long-range commitment on the part of local communities. Organization, planning, and promotion are key components of revitalization, and contribute to the social and economic process which form the core of a community.

The program makes use of existing legislation and procedures already in practice as much as possible, so as to keep the Downtown Revitalization Program simple to operate and administer. Additional authority for the program is given by the Downtown Revitalization Guidelines.

Copies of the Guidelines and other pertinent information are available at no charge from the Ministry of Municipal Affairs, 747 Fort St., Victoria, B.C. V8W 3E9.



How the Downtown Revitalization Program operates

Under the program, a municipality requests that its central core area can be designated as a downtown area. This area must be pedestrian rather than automobile oriented, and it must be the retail, service, entertainment, employment, social and/or cultural central place of the municipality. In some municipalities there may be several such centres, and in others, there may be none. Generally, the buildings in this type of area are of 20 or more years of age.

Any municipality in the province can apply for this designation and become eligible for an organization and promotion grant, but the level of funding available to it for municipal works which may be part of its downtown revitalization plan, will vary according to an assistance formula worked out by the Ministry. Regional Districts are not eligible for the program.

How can the community take part?

Individuals and groups within a downtown area of a municipality can take the initiative in downtown revitalization. They should decide what they would like to see happen in the downtown and then approach the municipality for its assistance in making use of the Downtown Revitalization Program.

Once the municipal council requests that an area be designated as a downtown area and the Minister has granted designation, the municipality can apply for a grant that will pay 25%, up to a per capita limit, of expenditures approved by the Minister for promotion and organization activities in the downtown. Either the municipality or an organization recommended by the municipality can operate the program.

What does the municipality do?

The municipality is the linking partner between the province and the community. It works to co-ordinate public and private resources for the benefit of revitalization of its core. The municipal council ensures that planning, design, financial, engineering and other policies are compatible with downtown revitalization and, where major physical improvements are required, makes plans with the community so that public and private lands and facilities complement each other.

What about municipal works?

The municipality can apply to the province for a loan to carry out revitalization improvements in a downtown area. Loans are available which may finance up to 75% of the cost of the improvements, up to the quota for that particular municipality. The quota is calculated by the Ministry according to an assistance formula. This takes into account a number of factors, including the size and financial position of the municipality.

Before the municipality may receive loan funds, it must ensure that there is a Specified Area, under the **Municipal Act**, in which public works in the downtown can be carried out at the expense of property owners within that area. The Ministry of Municipal Affairs may advance up to $15,000 to assist the municipality in planning and design, estimating the cost of improvements, and producing an overall design concept. This concept and costing are used in the process leading to the creation of the Specified Area.

If the Specified Area is established and the loan to make the improvements is given to the municipality, the first two-thirds of the advance becomes part of the loan and the remaining one-third is forgiveable. If the loan is not given, the municipality pays back the entire advance. The improvement loan itself is repaid by the municipality over a period of at least 12 years or, at the municipality's option, a longer period if the facilities being provided have a greater life span. In any case, a generous interest reduction formula applies to the first 12 years of the loan. In the first two years no payments of principal or interest are required, nor is interest calculated. In following years, payments are calculated on a rate of interest that gradually approaches that rate which normally would have been obtained by the Municipal Finance Authority when the loan was given. Funds from the loan are made available as progress payments during construction. A 15% advance is also available as soon as the loan agreement is executed.

The kind of improvements that the loan is meant to pay for include:

- buying or clearing land to provide parks or open space;
- rehabilitation or construction of a public building essential to the area;
- beautification of streets and public lands, by the use of, for example, special paving, widened sidewalks, planters and ornamental street lights;
- acquiring land for, and constructing off-street parking facilities; and
- building a public open or covered mall.

What about improving private buildings?

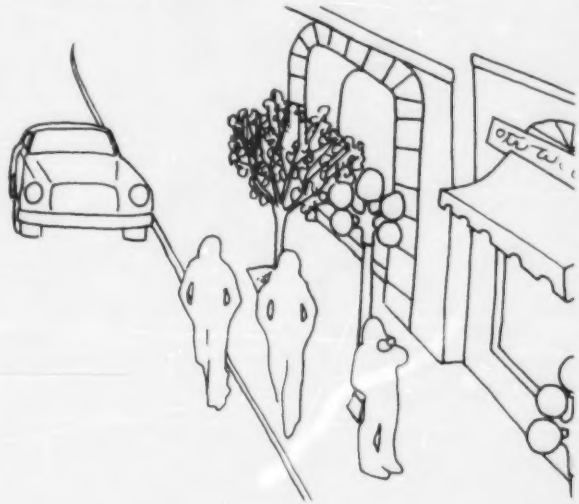
To encourage private property owners to upgrade or repair the exterior of their buildings, money is available in the form of a grant of 20% of the cost of making these improvements up to a limit of $200 per metre of ground floor frontage.

In order that these improvements will fit in with the overall plan for the downtown area, the grant is administered through the municipal building permit process: the improvements must be part of a council approved design or promotional scheme. When an owner applies for a permit to make changes in the facade of a building, the building inspector confirms that the work is eligible for a grant, and that the planned improvements are part of the approved design scheme.

Once the improvements are completed, the building inspector authenticates what the owner has determined as his costs. It is on the basis of these costs that the grant is calculated.

What about areas that are unique or have special characteristics?

Some areas of the province require a special kind of attention due to their particular historic or public interest, or particular ethnic nature. For such 'special areas', the Downtown Revitalization Program provides a special kind of assistance. Much of the pro-



gram is similar to that which can occur in other downtown areas. However, the municipality must support this application with data that explain what is unique and important about the proposed Special Area.

To assist the municipality in preparing design and feasibility for a successfully designated area, the Ministry of Municipal Affairs may advance up to $30,000, one-third of which is forgiveable if a project proceeds. Unlike the other public works loans, there is no ceiling or quota on the amount of loan the province may give to the municipality. In addition, the municipality may apply for a renewal property loan. This money covers up to 75% of the purchase cost of private property that is essential to the revitalization of the Special Area. The land or buildings must be resold by public proposal to the private sector for development. The terms of the renewal property loan are favourable, and include no calculation of interest for the first two years of the three year loan term and no repayment of principal or interest until the end of the third and final year.

How can you get involved?

It is important to remember that the Downtown Revitalization Program provides a means for downtown communities and municipalities to co-operate in undertakings in which they have a vital interest. It is up to you to take advantage of the opportunities available.

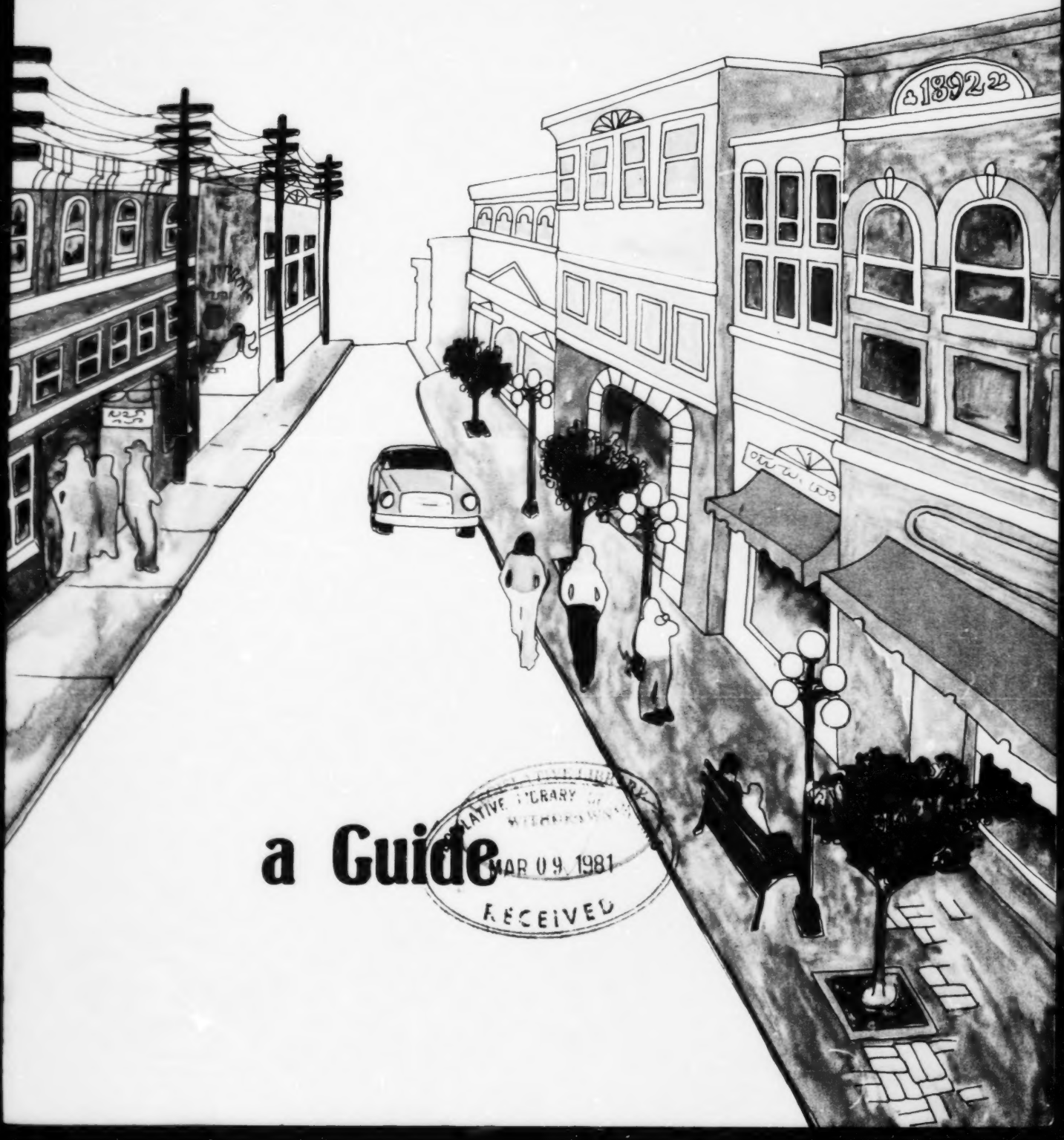
If you are interested in making use of this program, discuss it with members of community organizations in your area. You should then ask your municipality to contact the Ministry of Municipal Affairs about taking the next steps.

The Ministry will also assist you in co-ordinating the Downtown Revitalization Program with its other existing programs, such as revenue sharing, sewer, roads, water, and transit assistance. It will also provide liaison for such other relevant provincial programs as tourism, industry and small business development, and heritage preservation.

If you have any questions about this or other Ministry programs, please contact the Ministry for further information.

Ministry of Municipal Affairs
747 Fort St.
Victoria, B.C.
V8W 3E9
Telephone: 387-5925

Downtown Revitalization Program



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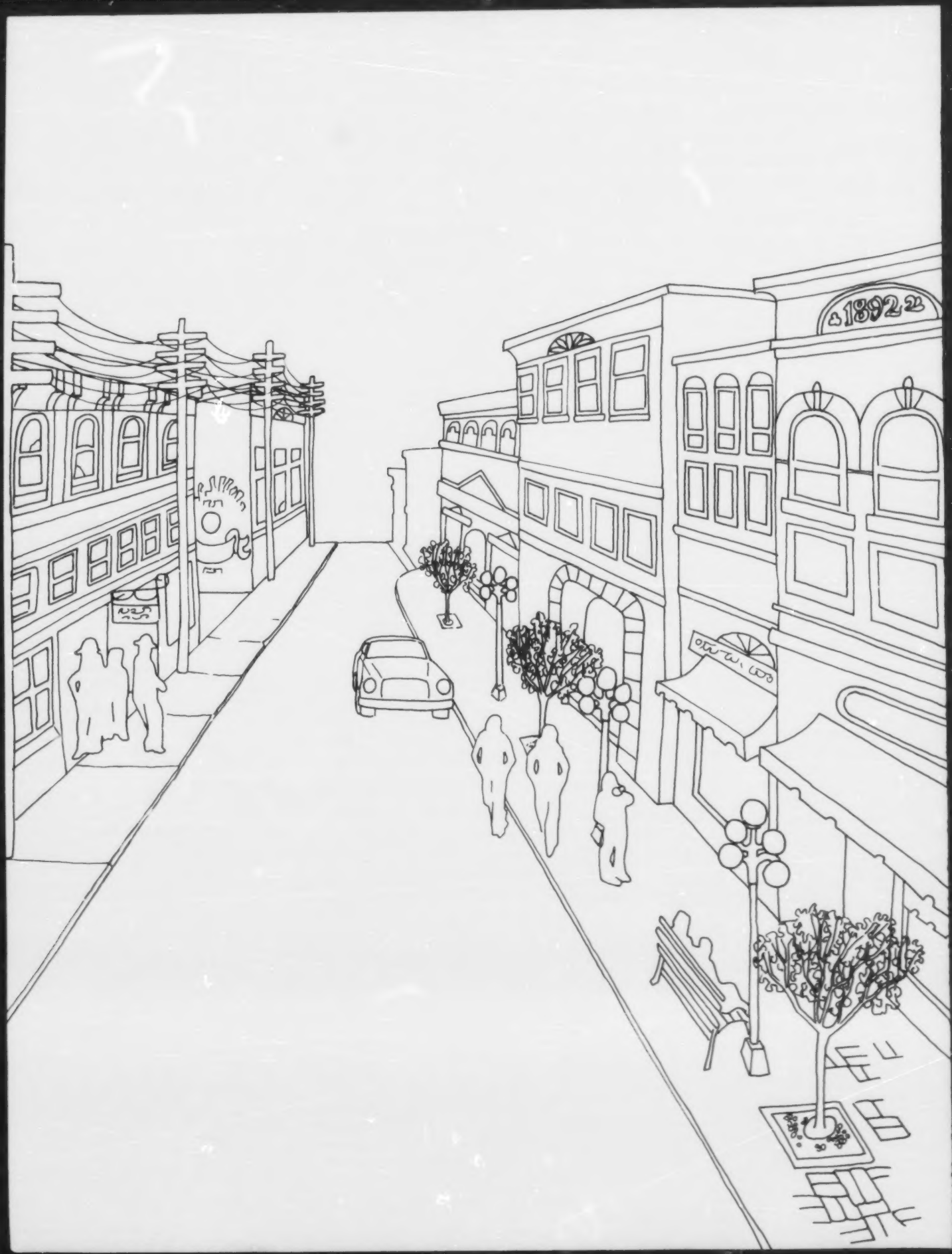
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Introduction

The Guide to the Downtown Revitalization Program is intended to assist you in undertaking rejuvenation of the downtown business centre of your municipality. You should already be familiar with the brochure, "Downtown Revitalization Program: an Introduction", which gives a general outline and overview of the principles of the program. If you wish to inform other individuals or groups about the program or are attempting to obtain support for revitalization activity, this material can assist you. Brochures are available from the Ministry of Municipal Affairs at no charge. A film, "The Downtown Revitalization Program", is also available.

Basic Principles

The need for downtown revitalization is obvious to those who are responsible for or who have business interests in downtown areas. In many cities and towns, once thriving centres can no longer attract shoppers, and some core areas have deteriorated to such an extent that attempts at building up and promoting businesses in the district are doomed to failure. The function of the downtown may have changed so that it no longer serves people in the normal course of their everyday lives. In many ways, shopping centres in outlying districts have taken over the job of supplying food, clothing and other daily requirements.

Although even revitalized downtown areas are unlikely to regain these functions, they can do other things. They may recover their use as social, entertainment, recreation, and cultural centres. They can assist in the revitalization and redevelopment of adjacent residential neighbourhoods. They can provide specialty personal and business services and goods that the homogeneous character of shopping centres cannot allow, and can offer a sense of community because of the integration of these residential, work, service and social aspects.

Many businesspeople and municipalities in British Columbia have already shown that revitalization works. The Downtown Revitalization Program is designed to encourage and accelerate this kind of activity as the economic, energy and social costs, and the loss of distinction of our neglected downtown centres, increase the need for an immediate response to the problem.

The Program

The Ministry of Municipal Affairs has developed the Downtown Revitalization Program to provide an opportunity for local business communities and organizations to co-operate with municipalities in organizing and planning revitalization of downtown core areas. Aid is available to municipalities, or groups recommended by municipalities, for organizational and promotional activities in downtown areas. As well, municipalities may obtain loans to finance revitalization works, and owners of private buildings may receive grants to upgrade the appearance of their buildings.

The successful application of revitalization grant and loan programs depends on the involvement of the local community in which revitalization is being undertaken. Physical improvements alone will not rejuvenate an area. Revitalization depends on the co-operative action of businesspeople and residents in a community in terms of planning what the area needs, organizing promotion and marketing schemes that will bring people into the area and, in a more general but important way, making a commitment to generating the kinds of activities, businesses and services that make the downtown a central place of the municipality in the first place. The Ministry is also concerned that revitalization plans take into consideration the need for energy conservation and public transportation and the special needs of handicapped persons.

Downtown business organizations, Chambers of Commerce or other groups with a vital concern in a downtown area should meet to determine what they want to accomplish in the downtown and discuss how they can best achieve mutual objectives for their area. They may decide that promotion and adopting a program of merchandising or area management which would co-ordinate their activities is the best approach, or perhaps, on looking at the needs and problems of their downtown area, they may find that major physical improvements are required, or that derelict or vacant property needs to be put to new use. Once these decisions and objectives have been reached, organizers should approach their municipality to enlist its co-operation in planning and designing for downtown rejuvenation and in making use of the various grants and loans available under the Downtown Revitalization Program.

In making an assessment of what is possible, communities and municipalities should take care to be realistic. Cosmetic improvements that do not solve underlying problems are not, in the long run, going to be of much help. It may be useful to obtain a market analysis for the downtown, or it might become clear that fundamental changes in the composition of businesses and services in the downtown are needed before the area can compete effectively with suburban shopping malls.

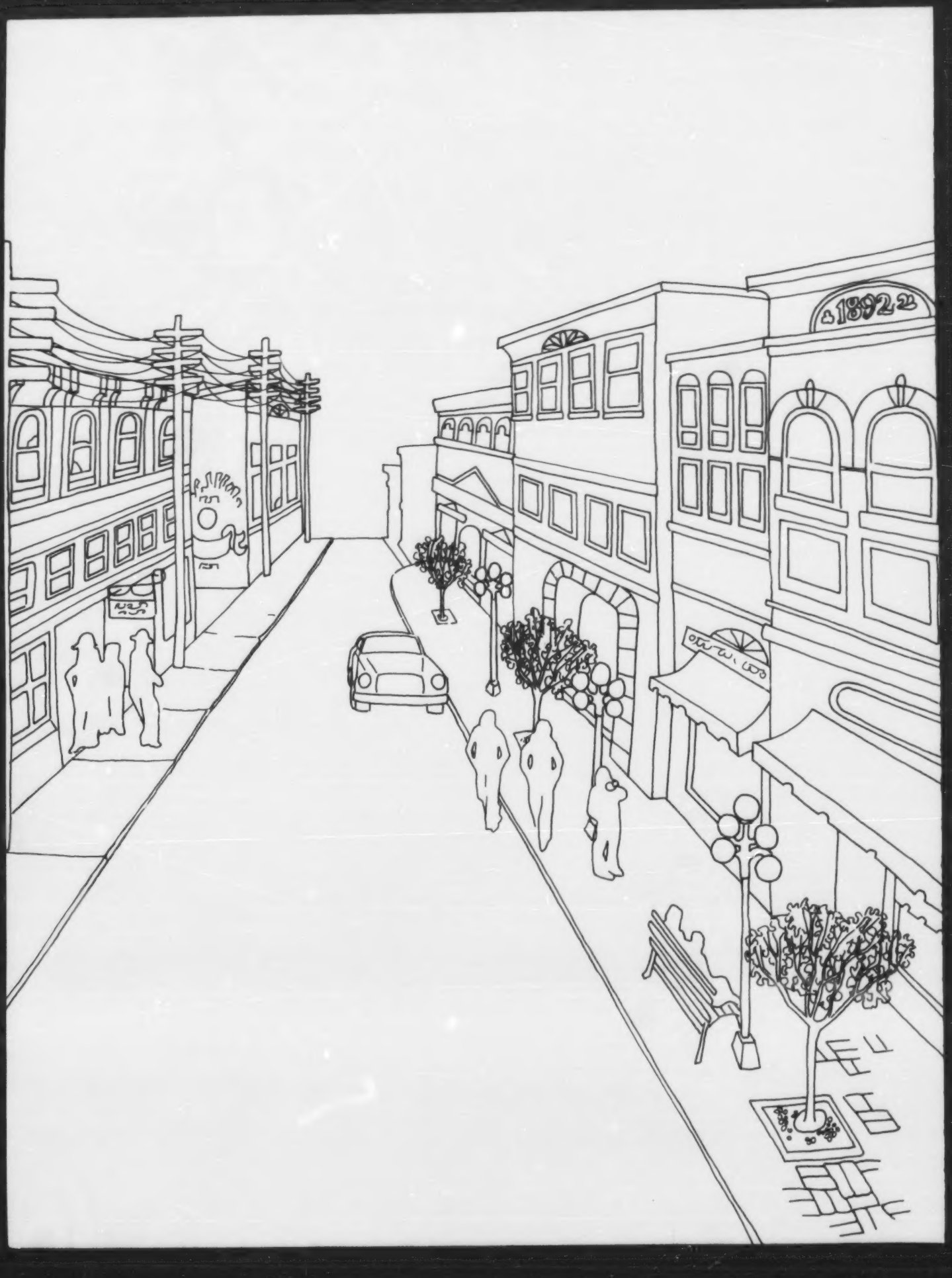
The programs and grants of the Downtown Revitalization Program are available to all B.C. municipalities. Where the **Municipal Act** is cited as the authority for municipal actions, the equivalent provisions of the **Vancouver Charter** apply in the case of Vancouver. Loan arrangements are worked out according to the individual needs of downtown centres and the financial position of the municipality. The program activities are also intended to co-ordinate with other provincial programs, such as Heritage Trust, Travel, Industry and Small Business Development, Transit, and other financial programs for sewers, water, and roads provided through the Ministry of Municipal Affairs. You should make sure that you are aware of these programs and use them to complement your revitalization plans.

The results of downtown revitalization are unlikely to be immediate. Revital-

ization takes time and must be tied into the planning policy of the community. As well, changing people's habits and their perceptions of an area is a slow process, and you should recognize and be prepared for this. You can shorten this time and help ensure the success of downtown revitalization by adopting aggressive promotion and marketing programs and by understanding the value of long-range planning.

Don't expect to recapture the past or try to mimic shopping centres and malls. You should concentrate on offering the kind of quality services that aren't available elsewhere and not rely on cosmetic improvements to do a job that depends for its success on promotion and management. You should also be aware of the full potential of buildings in your area: upper stories can be used for offices and residences, back streets can lead to parks, courtyards, and playgrounds. Municipalities should take care not to repeat measures which have contributed to downtown deterioration, such as allowing too many shopping centres to be built in fringe areas.

The success of the program will depend on the extent to which the municipality and the community at large can perceive their interests in common and can integrate all components — from zoning and municipal works to beautification and promotion — into a unified approach to the rejuvenation of the downtown core and its surrounding area.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Financial Assistance Programs

There are four approaches in the Downtown Revitalization Program to providing financial assistance for revitalization of a downtown area:

- organization and promotion grants are available to municipalities or groups recommended by municipalities;
- Private Premises Improvements grants may be available to upgrade downtown building facades;
- municipalities may obtain favourable loans from the province to undertake municipal works in downtown areas; and
- there are loans for Special Areas.

Funds for the Downtown Revitalization Program are provided through the **1980 Special Funds Act.**

Organization and Promotion Aid

Municipalities, or organizations recommended by municipalities, may receive a grant to revitalize downtown areas through promotion, organization or some physical improvements. In order to be eligible for this assistance, a downtown area must first be designated as such by the Minister. The area must be a pedestrian-oriented retail, service, entertainment, social or cultural central place or specific district of a municipality. In most cases, buildings in such an area will be at least twenty years old. The old downtown area also includes adjacent areas whose function or business activity supports the downtown. This might mean public lands, off-street parking facilities, residential areas and upper storey offices. Some municipalities may have several such areas, others may not have any. In any case, there is no limit on the number of downtown areas (other than the number of core areas existing in a municipality), for the purpose of grants under this program.

Qualifications

Before a municipality can receive a grant, it must submit an application to the Minister which outlines the reason that downtown area designation is being re-

quested and the estimated amount of expenditures for that area in that year. Before making estimates, municipalities and local organizations should discuss what they want to achieve in the downtown. Planned activities might include promoting the downtown area, buying street furniture, merchandizing and market analysis programs to offset the attraction of shopping areas in outlying districts, or improvements to buildings and transportation facilities to create a more attractive and convenient shopping environment.

The boundary of the downtown area must be carefully considered. In determining boundaries, municipalities and organizers should consider the types and locations of businesses, their similarities and differences, and which are the large business generators. They should also consider market, traffic and parking patterns, municipal planning policies, and the current problems of the downtown district. In planning for revitalization it may be necessary to include vacant, derelict and non-business property in order to solve downtown problems. It should be remembered that the downtown area is meant to serve pedestrians and to involve full use of buildings, including upper storeys. The optimum size of the area will depend on its character and purpose.

The impetus for organization and promotion can come either from the municipality or a local group. However, both private organizations and the municipality must work together if revitalization is to be a success. Municipalities and local groups should make themselves aware of other programs (see page 21) which may complement their plans for the downtown.

Once the municipality's application for downtown area designation and planned expenditures have been accepted by the Minister, either the municipality or an organization recommended by the municipality can undertake the promotion and organizational activities which have been approved. Either on its own behalf or that of the approved organization, the municipality then may receive a grant of 25% of the approved expenditure or an amount of money based on a per capita formula, whichever is least:

- $1 per capita for the first 10,000 of municipal population;
- $0.50 per capita for the next 50,000; and
- $0.20 per capita for the remainder.

If the municipality is receiving a grant on behalf of an organization, it must certify that it has recommended that organization and any expenditures claimed under this program.

Private Premises Facade Improvement Grant

Within the same area that would be designated as a downtown area by the Minister for the purpose of the operational grant, grants may be provided through municipalities for distribution to private owners or applicants who have made improvements to the facades of their buildings. Improvements must be to exterior walls that face public streets, land, or parking areas, or private land or parking areas that the public has access to. The grants are given after improvements have been completed and if certain criteria have been met.

Qualifications

The building facade improvements must be part of an approved municipal design concept or promotion and marketing concept. Ideally, these concepts should have been worked out in co-operation with community groups and or-

ganizations who have an interest in the downtown area.

A design concept is a design and land use scheme providing an integrated approach to proposed revitalization. This concept must have been approved by the municipal council. It could involve improvements to streets, sidewalks, public lands and parking facilities, changes to building exteriors, roof lines, doors and windows, and the construction of canopies or signs.

A promotion and marketing concept is a scheme of co-ordinated private facade improvement which might involve painting, outdoor furnishings, or merchandizing-related improvements such as substantial permanent or semi-permanent seasonal decorations.

The municipality must have also, by Council Resolution, agreed that the grant can be administered through the municipal building inspection process. All types of buildings in a downtown area can qualify for grant assistance as long as they are included in the overall design or promotion and marketing concept.

Calculation of the Grant

The grant amount is 20% of the cost of the private ground floor facade improvements up to a maximum of $200 per metre. If a building has frontage on a side street or other public passageway, 50% of that frontage can be added into the total for the purpose of determining the value of grants that are available for that building.

Grant Administration

The grant is administered through the municipal building inspection process and the grant application is the actual municipal building permit. Since some types of improvements, such as cleaning and repainting, do not normally require a building permit, the municipal council must have indicated its agreement to have its staff undertake the administration of building facade grants at municipal cost. Building permit fees are not charged for improvements which would not normally require a permit, although the owner or applicant must submit a letter stating plans and costs, and use the permit as the grant application form. This permit is marked by the building inspector "for grant application purposes only." The owner or an applicant (if the owner has agreed in writing to the works) presents a description or drawings of the works, as required, to the building inspector, who then notes the anticipated cost of the improvements on the permit. The building inspector also certifies on the permit that the qualifying requirements have been met:

- a Resolution of Council to permit grant administration through the building inspection process; and
- written confirmation from the Municipal Clerk that the municipality has approved either a design or promotion and marketing concept for the downtown area.

The building inspector ensures that the planned works are for facade beautification and improvement, that they conform to other municipal by-laws, and are being made to existing properties. Changes to building interiors other than for window displays visible from the outside, or normal maintenance, do not qualify; neither do additions or new construction. Facade improvements can, of course, be carried out while other more extensive work is being done and the building inspector must exercise judgement as to the proportion of the work which is part of the facade program.

The building inspector also confirms the calculation of building frontage and notes this on the permit and then sends a copy of the annotated, issued permit to the Ministry of Municipal Affairs.

If there are questions about a grant application, the Ministry will contact the building inspector within 21 days of receiving the permit copy. Otherwise it should be assumed that a grant will be payable on completion of the works.

Final Approval

Once the facade improvements have been completed and passed final inspection, the actual costs of the improvements and the building inspector's certification of completion should be noted on a copy of the building permit and forwarded to the Ministry of Municipal Affairs. The building inspector is responsible for determining what the final costs are and should be guided by the invoices, time sheets, etc., which the applicant provides. If the applicant has done some of the work, the inspector estimates what his labour would have cost and includes this in the total costs.

If improvement works have been of the type that do not normally require a building permit or inspections, the owner or applicant has the responsibility of informing the inspector when the improvements have been completed. The inspector then confirms that the improvements have been made and, as above, confirms their cost.

The final permit form sent to the Ministry should be a copy of the original so that the applicant's name, address and permit number are consistent on all copies.

The municipality, or an organization that it has approved for this purpose, may, if owners give their consent, undertake central contract administration for private facade improvements. This does not, however, affect the fact that grants are calculated on an individual basis.

Loan Assistance for Capital Improvements

In order to finance new revitalization works within or of benefit to a designated downtown area, a municipality may be eligible for a loan of up to 75% of the total estimated cost of the works. As with the other financial assistance programs the municipality must first have applied for and received from the Minister designation of its downtown area. As well, certain eligibility criteria must be met.

Qualifications

Before a municipality can be considered for a loan, it will have to have satisfied the Inspector of Municipalities that the downtown area is economically viable or that planned revitalization works will substantially assist in making it so. The municipality has also to consider how it will manage construction of the improvements. It should determine whether it will need consultant assistance, and should take into consideration what long-term maintenance of the works will involve. Beautification works in particular require higher than normal maintenance expenditures. It may be helpful to discuss with other municipalities how they have handled similar programs, but it also should be remembered that what has worked in one place may not necessarily work in another. The Ministry of Municipal Affairs will require evidence that the municipality can manage the

construction, installation and maintenance of the proposed revitalization works.

Council must also ensure that its Official Community Plan or planning policies support downtown revitalization and do not work against revitalization by, for example, providing for the construction of additional suburban malls. Sewer, drainage and road policies, and planning, must allow for appropriate use within and adjacent to the downtown or else must be changed so that they do. In making revitalization plans, other programs such as those through the **Revenue Sharing Act** and the **Sewerage Assistance Act** should be investigated. A number of such programs could be used to achieve desired objectives in the downtown area. Municipalities should also look at how they have allocated available resources and what their priorities in their five-year Capital Expenditure Programs are.

The municipal council must by Resolution confirm that the proposed downtown revitalization activity and works comply with municipal planning, roads, utilities, parking, capital expenditure and business regulation by-laws or policies and that these policies encourage downtown revitalization. The Resolution should also confirm that the municipal development permit and development cost charge policies and by-laws take into account the levies which revitalization works will impose upon property owners.

Loan Terms

As mentioned above, the province may provide the municipality with a loan for up to 75% of the total estimated cost of the works up to a calculated maximum qualifying amount. The loan is paid back over a period of 12 years, with the principal and interest amortized over 10 annual payments.

In the first two years, there are no payments of principal or interest and no calculation of interest. In the third to sixth years, interest is compounded semi-annually at 40% of the interest rate which the Municipal Finance Authority would normally have obtained when the loan was made. In years seven to nine, interest is compounded semi-annually at 80% of the Year 1 Municipal Finance Authority rate (as above), and in years 10 to 12, interest is at the full Year 1 rate. In years three to 12, principal and interest payments, at the 10-year amortization rate, are based on the original principal.

For some major capital works with lifetimes of 20 years or more as certified by the Municipal Engineer, or with future revenue potential, a loan amortization period of up to 25 years may be possible. The construction of a parking facility is an example. A longer than normal pay-back period would be requested by the municipality and would be given at the discretion of the Inspector of Municipalities.

All financing under this program is a debt of the municipality and is subject to the requirements of the **Municipal Act.**

The Loan Formula

The amount of money available to a municipality is determined by the Ministry of Municipal Affairs through the application of a formula. By March 31 of each year, the Ministry will have calculated the maximum cost of revitalization works for which a 75% loan or loans may be available in each municipality and will have made a schedule of its calculations available.

The Ministry considers municipal eligibility on the basis of population and the ability of municipalities to pay for improvements. Ability to pay is based on a comparative per capita calculation of taxable assessment for municipal purposes.

A municipality that has a population of more than 60,000 and more than one downtown area, may be eligible for more than one loan. For each additional downtown area, there must be another 30,000 municipal residents. Where more than one downtown area can be considered, the municipality must designate whether the revitalization works cost allocation for the purpose of a loan is to be applied to one downtown area or allocated amongst more than one.

The maximum cost of revitalization works in a single downtown that a loan can apply to is $500,000. This maximum is not available to all municipalities and may be reduced once the formula is applied. However, if an extended amortization period has been approved or if the works will generate revenue, the Minister may increase the maximum available. The maximum total cost of revitalization works in a municipality, for purposes of the formula, is $1,000,000.

Revitalization Works

Loan assistance is intended for such projects as:

- purchasing land for parks, open space or pedestrian ways. This might include a passage between buildings so as to connect the main street to off-street parking, or the development of a small park or a landscaped rest area;
- the purchase, rehabilitation or construction of a significant public building. This might mean buying a heritage home to be renovated and incorporated into the downtown design concept, or purchasing and renovating a warehouse to become a public market;
- constructing pedestrian malls or traffic control facilities (or construction associated with such works), designing or constructing canopies or other beautification projects, or improving services, such as converting to underground power. This could include widened sidewalks with special pavements, curbs, planters, benches and street lighting, special cross-walk materials and sidewalk and cross-walk canopies. It could also entail closing off some streets and using adjacent public land to make a civic square; and
- purchasing land for and developing off-street parking, landscaping and improving existing lots or constructing new parking facilities. Unused rear-lot areas behind businesses might be assembled for this purpose in combination with vacant adjacent property.

Revitalization works can include associated design, engineering, and administrative costs, but cannot include general promotion, research or management, whose costs are defrayed under the Organization and Promotion assistance part of the Downtown Revitalization Program (see page 9).

Applying for a Loan

Along with evidence of a downtown area's economic viability, the municipality's ability to construct, install and maintain the works, and the Resolution confirming the compatibility of the proposed works with other municipal programs and policies, there should be a description of the proposed works, the objectives for the downtown and some discussion of how other provincial programs can tie in with the planned works.

This material should be submitted to the Ministry of Municipal Affairs with a request for financial assistance in preparing a design concept for the downtown.

If the preliminary application is approved, the Minister may, at no interest

cost, advance up to $15,000 to the municipality to assist it in preparing an approved detailed design concept and an estimate of the cost of the proposed works. If, subsequently, there is a Revitalization Works Financing Agreement between the municipality and the province, one-third of the advance will be forgiven and the remainder will become part of the principal of the loan. If revitalization works do not proceed and there is no loan Agreement, the municipality must repay the advance in full during the next municipal budget year.

The design concept provides an integrated approach to proposed revitalization works. It includes a circulation and land-use scheme, outline specifications, and preliminary design or concept drawings of the proposed works. It also shows how facade improvements, signs and municipal services will be coordinated.

Outlining the Benefiting Area

The design concept must be used as the basis of a Specified Area by-law. This by-law outlines the area that will benefit from the proposed works. Boundary definition should be undertaken with care since direct support and willingness of the property owners within the boundary area to pay for all or a proportion of the works is critical: this is the case whether the Specified Area is set up by assent, initiative, or petition.

The council must decide how any loan it receives will be repaid. It may decide that all costs are the responsibility of the Specified Area or that costs should be spread throughout the municipality. This will depend on what proportion of the works can be considered to be for the general benefit of the municipality and on anticipated increases in tax revenue as a result of downtown improvement. As part of this step, the council must provide loan authorization authority as an integral part of the Specified Area by-law.

Approval in Principle

Before the municipality can determine what its costs will be and what property owners will have to pay, it must know whether a loan will be available to it under the program.

At this point, the municipality should send the following to the Ministry of Municipal Affairs:

- a description of the intended works and their cost;
- the design concept and its approval by Resolution of council;
- the proposed boundaries of the Specified Area;
- what loan amount is requested, and the amortization period if the loan is for substantial and revenue-producing works; and
- the proposed allocation of costs.

The Ministry will reply in writing stating the amount of the loan available and the interest rate at which it will be approved subject to adoption of a Specified Area Loan Authorization By-law in conjunction with the Revitalization Works Financing Agreement. Once the municipality has this approval in principle, the Municipal Treasurer can calculate the anticipated cost of the works (given the terms of the loan) and the payments which will be asked of property owners. The Treasurer can also calculate the annual charge per taxable metre of frontage or the proportion of the costs of the works which will be the responsibility of property owners in the Specified Area.

Specified Area Petition

A Specified Area Petition can be initiated by council or by organizations or groups within the area to be affected by revitalization works.

The petition is a standard procedure under Section 674 of the **Municipal Act** and is undertaken in accordance with Sections 658 and 659 of the **Act.**

When a petition is circulated for signatures, each page of it must contain a general description of the proposed works, the annual charge per taxable unit of frontage or the proportion of the cost which would be the property owner's responsibility, and the amortization period of the charges. The design concept should be made available, in a suitable public place, for the information of property owners. If the petition obtains enough signatures, its sufficiency is certified by the Municipal Clerk.

Once a successful petition has been certified, the council will introduce a Specified Area Loan Authorization By-law. The by-law defines the area boundaries, the proposed works and the distribution of the costs and repayment responsibilities as set out in the petition, and the manner in which the costs will be recovered. Authority to levy through a frontage tax (the most common approach) or through an annual levy based on assessed value, or on a parcel basis or on any combination of these should be included in the by-law. If a frontage tax or parcel tax is used further authorization by way of a frontage tax or a parcel tax by-law should be adopted and assessment rolls prepared. If the levy is on assessed values, all that is required is the establishment of the cost in the budget and the inclusion of this amount in the mill rate levied by the rates by-law. When adopted, the by-law authorizes borrowing the necessary funds, not all of which are necessarily from the province. Any by-law authorizing borrowing must be submitted in duplicate to the Ministry at third reading, accompanied with the necessary background material, with a request for the approval of the Inspector of Municipalities. After approval the by-law may be adopted strictly if the petition or initiative method is followed and after assent of the electors, if the assent method is followed.

Petition is not the only way for a Specified Area to be created. The municipality, on its own, could choose to do this by the assent or initiative processes. These options are governed by Sections 299-305 and 656-657, respectively, of the **Municipal Act.** If additional revitalization works might be undertaken in the future, the Loan Authorization should make provision for financing these and for the inclusion of additional works.

Revitalization Works Financing Agreement

An Agreement in which the province consents to advance funds and the municipality to repay them is then made. The Agreement sets out the details of the program, including a description of the works, responsibility for their construction, construction loans and draws, conditions of the Specified Area, the allocation of costs between the Area and the municipality as a whole, the schedule of loan payments and a variety of general provisions involving co-ordination with other programs. It should not take long to work out this Agreement since the municipality will already have received approval in principle for its plans.

In the final step, the by-law is adopted and the Agreement executed by the municipality and the Specified Area is established. Under normal circumstances, the Agreement will be a Schedule to the Specified Area Loan Authorization By-law and will be signed by the Mayor and the Clerk. When this is done, the completed Agreement and by-law is forwarded to the Ministry for execution by the Inspector of Municipalities.

Loan Advances

The Ministry will advance up to 15% of the estimated cost of the revitalization works at the request of the municipality. This can assist in paying for architectural and engineering design and in setting up administration. Subsequent advances are in the form of progress draws as the work is actually undertaken. When draws are requested, the Municipal Engineer must confirm that the work is in place and the Municipal Treasurer must state that payments are required. The revitalization works, as described in the Agreement, must be installed and the necessary funds advanced within three years of the signing date of the Agreement.

Summary of Steps to Obtaining Loan Assistance

One: Designation

- council applies to the Minister for designation of a downtown area.

DESIGNATION GRANTED

Two: Preliminary Application — application contains:

- evidence concerning downtown economic viability and municipal ability to construct and manage works;
- Resolution of council that works comply with municipal policies and planning;
- description of works, downtown objectives, tie-ins with other provincial programs; and
- a request for financial assistance in preparing a design concept.

PRELIMINARY APPLICATION APPROVED

- Minister gives an advance to assist the municipality in preparing the design concept.

Three: Approval in Principle — the municipality sends to the Ministry:

- description of works and their costs;
- the design concept as approved by council Resolution;
- proposed boundaries of a Specified Area; and
- loan amount requested and cost allocation.

APPROVAL IN PRINCIPLE GRANTED

- Ministry states the amount of loan available and at what interest rate.

Four: Specified Area

- the municipality takes steps to establish a Specified Area by petition, assent, or initiative.

Five: Agreement and By-law

- Revitalization Works Financing Agreement is negotiated with the province;
- follow borrowing by-law procedures; and
- the Specified Area by-law and Revitalization Agreement are adopted and executed.

Six: Loan Advance

- Ministry advances up to 15% of the loan to the municipality to begin work.

Loan Assistance for Special Areas

The loan assistance program for Special Areas is intended to make funds available for downtown areas that require a unique or individual program. This approach may be needed because of the age, complexity, unique historic character, heritage or ethnic significance of the area. In these cases, preservation or enhancement of the area's special qualities may be highly desirable.

In other instances, the potential for economic redevelopment or revitalization of a downtown may be severely limited by derelict and obsolete buildings or by uses of downtown land that hinder the business efforts of private land owners.

There may be breaks in retail frontage, traffic problems, or a general air of dereliction which dissuades people from using the district. As distinct from the other funding programs described in this Guide, in this case the municipality has to provide evidence of the special significance of the downtown community before it can receive loans under this program.

There are two principal steps towards obtaining Special Area loans:

- the area must be designated as a Special Area by the Minister of Municipal Affairs; and
- a financing agreement must be negotiated which will suit the needs of the Special Area.

Obtaining Special Area Designation

The municipal council should first determine whether it has a strong case for Special Area designation and, if so, by Resolution request that the Minister designate all or a portion of a downtown area as a Special Area. Supporting evidence is necessary to make a case and the council should be ready to spend time and money to obtain and analyse this evidence. If the municipality has less than 15,000 residents, especially convincing supporting data are essential.

The municipality must also have adopted an Official Community Plan. Although this planning policy document is desirable for other parts of the Downtown Revitalization Program, it is a requirement for Special Area status. The plan does not have to involve the whole municipality but must show that municipal policies support the downtown and the Special Area. The overall policy direction of the municipality, which naturally affects its physical and economic development, must be consistent with downtown policies so that a downtown area is not isolated from and unsupported by the municipality at large. Studies on services, traffic flow, transit and economic growth rates undertaken in drawing up the plan should be used in submitting the Special Area proposal to the Minister.

The Community Plan should describe current problems of the proposed Special Area, particularly where solving them may involve large public expenditures. If acquisition of private land is needed to make the plan work, then the document should indicate this and to what use the land would be put. The submission to the Minister should contain, as a minimum:

- the boundaries of the proposed Special Area;
- the reasons why Special Area status should be given;
- the anticipated municipal works to be undertaken or public lands to be acquired, developed, or reconstructed, and an indication of what this would cost;
- the location and significance of proposed private land acquisitions, including what the municipality plans to do with the land and anticipated costs;

- the Official Community Plan, Capital Expenditure Program and other policies of the municipality which support Special Area rejuvenation.

The Minister or his representative will meet with the council to discuss the submission. Additional information may be required and the Minister may agree or decline to designate part of or an entire downtown as a Special Area.

The Minister may then advance up to $30,000 at no interest cost to the municipality to assist it in preparing an approved design concept. The advance is also to be used to investigate development and market strategies and to make financial projections where private lands are to be acquired and sold. The design concept for this program should be more detailed than one produced for other programs since it is likely that the Special Area will require greater capital intensive activity. If a Special Area Financing Agreement follows, one-third of this advance is forgiven. Otherwise it is repayable in the next budget year.

Special Area Financing Agreement

Once Special Area designation is given, loan assistance for revitalization works, similar to that available under Loan Assistance for Capital Improvements discussed on pages 12 to 17 of this Guide, is available, but the amount of the loan is not limited and is determined by the Minister and incorporated into the Special Area Financing Agreement. Assistance is not available for existing improvements or works. If approval for a Special Area is given, the council may establish a Specified Area in accordance with the procedures of the **Municipal Act** or the **Vancouver Charter,** for the purpose of recovering funds spent to benefit the area.

Loan assistance under the Special Area program is also available so that the municipality can purchase renewal property (see Section 530 of the **Municipal Act**). That loan may apply to up to 75% of the cost of acquiring such property and is repayable over a maximum term of three years. For the first two years there is no payment of principal or interest and no calculation of interest. In the third year, interest is at the Bank of Canada prime rate, plus 1.0%, compounded semi-annually, which was in effect when the Special Area was designated. Full payment of principal and interest is required at the end of the year.

It is intended that private property the municipality buys should be resold as soon as possible to the private sector for development. However, the cost of acquiring the land may include the costs of administration, demolition, site clearance and service installation that may be necessary before resale can take place.

Since the acquisition of the private property is done through an interim development loan and is secured by a mortgage back to the province on the acquired renewal property, the risks involved in the purchase and resale must be evaluated by the council. It should have strategies planned in the event that resale does not cover the cost of repaying the loan. The municipality has to demonstrate to the Ministry that the purchase and sale of the renewal property is economically viable and it should attach a market assessment and financial analysis as Schedules to the Special Area Financing Agreement. It should also include its strategy or intention for disposition of the renewal property. Ability to manage the transactions, site works and sale must be shown.

The Special Area Financing Agreement describes the purpose and significance of the Special Area, the anticipated funds required, how public and private activities within the downtown area are to be co-ordinated, and other terms and conditions that may be agreed on between the municipality and the province. The Minister may also incorporate an application of other provincial programs in the Agreement.

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Other Programs and Assistance

There are a number of programs and forms of assistance available which can co-ordinate with and supplement the Downtown Revitalization Program. Municipalities should take care to incorporate these into their plans so that they can take advantage of opportunities available to them and so that they can determine the best approach to solving problems in their downtown areas.

Assistance from the Ministry of Municipal Affairs

The Ministry of Municipal Affairs offers advisory and technical services to municipalities. Ministry staff will give advice on how the Downtown Revitalization Program works, and how it functions in relation to other of that Ministry's or other Ministries' programs. It will also advise on how the administrative and financial procedures of a municipality will affect Ministry of Municipal Affairs approval of proposals. Technical assistance is given to municipalities in determining the economic viability of their proposed projects and in making certain that these projects co-ordinate with their other plans.

The various grant and loan programs available to municipalities through the Ministry include the following:

- Water Facilities Grants under the **Revenue Sharing Act** — grants are available under a forumula which pays 75% of the annual debt servicing costs of approved facilities in excess of a 2½ mill levy;
- Major Municipal Road Grants under the **Revenue Sharing Act** — a grant given jointly with the Ministry of Transportation and Highways is available to cover 50% of approved costs;
- **Sewerage Assistance Act** — this program provides assistance for the repayment of costs of approved sewerage facilities. A grant of 75% of the amount by which annual long-term debt charges exceed a levy of 2½ mills is available;
- Community Services Contribution Program Agreement, benefits (federal/provincial) — this plan provides for the funding of municipal public works, especially sewer and water facilities, which are eligible for 20% of

the approved capital cost of their construction;
- Planning Grants under the **Revenue Sharing Act** — up to two-thirds of the approved cost of municipal planning projects may be eligible for a grant on a cost-sharing basis;
- Urban Transit Authority — a cost-sharing agreement can be worked out among the U.T.A., the province, and the municipality concerned. Municipalities should remember that downtown areas are oriented to pedestrians and that integration of downtown planning with transit planning can be to the mutual benefit of the municipality and the U.T.A.

Municipal By-laws

Within any municipality there may be by-laws that could conflict with the progress and success of a downtown area. Municipalities should check that their downtown plans are compatible with:

- Zoning;
- Development Permit Areas;
- Development Cost Charge By-laws;
- Subdivision By-law;
- Utility Rates, Water and Electricity By-laws;
- Sewer Rates By-law;
- Sign By-law;
- Untidy Premises By-law;
- Official Community Plan By-law;
- Building By-law;
- Highways Regulatory By-laws;
- Highway Classification By-law;
- Parking By-laws;
- Nuisance By-law;
- Capital Expenditure Program By-law;
- Budget By-law;
- Local Improvement By-laws (both general and specific);
- Park and Community Buildings By-law;
- Business Licence By-law;
- Anti-Noise By-law;
- Business Regulation By-laws;
- Service Station By-law;
- Business Tax By-law;
- Replotting By-laws;
- Sunday Sport By-law;
- Underground Power By-laws;
- Municipal Buildings — by-laws for land acquisition or operation;
- Agreements with School Boards for joint use of facilities, maintenance and operations; and
- Utility Services Placement and Regulation By-law.

When making their plans, municipalities should consider how the presence of public buildings or other programs and public activities will affect the downtown, and whether downtown plans are compatible with these. They should be aware of:

- public health clinics and hospitals;
- government offices, whether through the British Columbia Buildings Corporation (BCBC) or the federal government;
- municipal public safety buildings;
- federal post offices;
- Crown corporation offices, such as Urban Transit Authority, Hydro, or British Columbia Railways;
- heritage buildings, through the Heritage Trust or the Heritage Conservation Branch;
- housing for senior citizens or other social group housing; and
- highways, improvements, by-passes, standards, parking, one-way changes, bridges, access changes, signals.

Other Programs

Other programs that may be of assistance to a downtown include:

- technical and financial programs that may assist development or redevelopment — such assistance could be available through the British Columbia Development Corporation (BCDC) and the Federal Business Development Bank (FBDB);
- Section 286 Agreement assistance — this is an arrangement between the Ministry of Lands, Parks and Housing and a municipality, that provides for loans to install municipal services, primarily on residential land;
- Transmission Line (Underground) Act — under this program the province pays one-third of the cost of placing power lines underground. This program provides for local and utility company contributions. The Ministry of Municipal Affairs will channel applications;
- Recreation Facilities Assistance Program — the program provides grants of one-third of the capital costs (up to $400,000) for the development of recreation, social and cultural facilities. This includes libraries and museums; and
- Lotteries Fund — money may be available for "meritorious projects". Applications should be sent to the Provincial Secretary.

Major Programs

Some provincial programs, other than those from the Ministry of Municipal Affairs, are of especial importance for downtown renewal activity. These include programs of the Heritage Conservation Branch and the Heritage Trust, and programs provided by the Ministry of Industry and Small Business Development.

Heritage Conservation Branch

The Heritage Conservation Branch is part of the Ministry of Provincial Secretary and Government Services. The Branch is responsible for developing heritage policy in B.C. and will provide communities with technical advice. Their staff includes architects and draftsmen who will assist a community in preparing design concepts and in making applications to the Heritage Trust for funds.

The Heritage Trust

The Heritage Trust is an independent corporation, established by legislation, that reports to the Provincial Secretary. The Trust is responsible for several programs involving heritage areas and buildings.

Heritage Area Revitalization Program

This program provides assistance for well-defined heritage areas or streetscapes and is available to municipalities or to non-profit historical societies or other groups that can demonstrate community support for heritage or historical restoration.

In the first stage of applying for a project, the applicant has to provide evidence of the heritage worth of the area. They should prepare this evidence along guidelines provided by the Trust and should also make preliminary planning and design proposals. If the Trust gives the necessary heritage designation after this preliminary application has been considered, the applicant must prepare a detailed design concept and presentation for the Trust. To assist in this work, a $2,000 grant may be available. If the project does not go ahead, the grant does not have to be repaid.

Heritage area projects are eligible for up to $100,000. Grants are made on a partially matching basis and the applying group must be responsible for obtaining the remaining funds. In most cases, the full $100,000 is not given and in all cases, the total amount available within the province in any one year is $400,000.

Grant money is used for heritage or historical restoration, primarily through rehabilitation or restoration of facades or through other external changes and improvements. The individual buildings involved can be owned privately or by the municipality. Projects can include information kiosks or street furniture or signs with heritage themes. Grants are given all at once or over a two to three year period.

Capital Restoration Program

Although primarily given to municipal councils, heritage or other non-profit groups are also eligible for this grant of up to 50% of the capital restoration costs of individual buildings. The buildings must be owned by the municipality or a non-profit society. The maximum grant is $50,000. Funds are available on a matching basis and are to be used only for facade restoration.

Planning Assistance Program

Financing of up to 100% is available to communities for area-wide planning, heritage inventories and to publish planning studies which might contain (for example), specific restoration techniques.

Programs Through the Ministry of Industry and Small Business Development

Small Business Division

Although none of the Small Business programs involve financial assistance, they are of considerable significance to downtown areas because they supply information, management, promotion and general business development assist-

ance to both municipalities and private enterprises. Programs offered by the Small Business Division include:

- Business Development, Community Services Program — this is an information and promotion service. A business organization, such as a Chamber of Commerce or downtown business association, makes a request to the division for program staff to visit the community. The staff holds seminars and workshops that outline aid available to the community and that deal with such areas as improving management skills;
- Business Development, Established Business Service — the development of existing small business is aided through counselling services and seminars dealing with financing, marketing and management;
- Business Development, New Business Service — new businesses are assisted in getting off to a good start. The program offers an objective assessment of the viability of the business;
- Business Information and Assistance Program — this ensures that the business community has access to the various assistance programs and services; and
- Management Development Program — a program to develop management skills through personal contacts and workshops.

IDSA and TIDSA

Another area where the Ministry of Industry and Small Business Development can assist downtown areas is through its association with the Travel Industry Development Subsidiary Agreement (TIDSA) and, in some cases, the Industrial Development Subsidiary Agreement (IDSA).

IDSA loans and grants are primarily for the development of manufacturing and processing industries. Normally, this type of development is not compatible with downtown area activity. However, Regional and Community Profiles have been prepared under the IDSA program and these may be of assistance in providing data bases for downtown market viability studies. IDSA-funded Economic Development Commissioners, located throughout the province, may also be of help in advising on management and promotion and the application of Small Business Division Programs. The Commissioners also can be, through their economic development responsibilities, involved with service as well as industrial development.

TIDSA funds, as tourism development applies to a downtown area, may be available. If there is potential for tourism, the area may be eligible for funding of an economic feasibility analysis of such potential. If specific tourism potential can be demonstrated, funding to finance specific enterprises may also be possible. Under the TIDSA program, low interest and forgiveable loans are used for travel industry development. These loans are given to individual enterprises.

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Summary

When planning revitalization of a downtown area, municipalities and organizing groups must realize that the downtown is only one component of a larger community. Improvements, plans, and schemes developed in isolation from the rest of the community, or out of step with adjacent areas, will not be successful. It will be difficult for a municipality to demonstrate to the province that it can make proper use of the Downtown Revitalization Program if it doesn't take the context of the downtown into consideration and if it persists in policies which have contributed to the decline of downtown activity in the first place. Allowing continued development of fringe shopping centres is a practice that inevitably drains the vitality of downtown core areas.

Municipalities as well as downtown businesses and residents must make a long-range commitment to changing their policies and attitudes toward the downtown and they must be willing to commit their resources to that end. Cosmetic changes will do little on their own to rejuvenate an area. They must be accompanied by consistently vigorous and aggressive promotion, marketing, and management to bring people into the area and to make the downtown a part of their sphere of activity.

Don't expect the program to succeed if you aren't willing to do the work or make the commitment. Your approach to solving downtown problems must be tailored to your community and its needs. Take advantage of the many forms of assistance that are described in this Guide to make changes that will result in a lasting contribution to the economic well-being and quality of your community life.

The Ministry of Municipal Affairs will be pleased to answer any questions you may have about the Downtown Revitalization Program and how it can be of use to you.

Useful Addresses

Ministry of Municipal Affairs
747 Fort St.
Victoria, B.C.
V8W 3E9
Telephone: 387-5925

The Heritage Conservation Branch
and Heritage Trust
Parliament Buildings
Victoria, B.C.
V8V 1X4
Telephone: 387-6778

Ministry of Industry and Small Business Development
Suite 315, Robson Square
800 Hornby St.
Vancouver, B.C.
V6Z 2C5
Telephone: 689-4411

Annexes

Annex 1

Special Funds Act, 1980
The Downtown Revitalization Fund

Interpretation

8. In this Part, "fund" means the Downtown Revitalization Fund established under Section 9.

Appropriation

9. The Minister of Finance shall pay from the consolidated revenue fund the sum of $25 million to establish the Downtown Revitalization Fund.

Purpose of fund and expenditure from it

10. (1) The purpose of the fund is to grant aid to municipalities and the business community to revitalize downtown areas and to provide for loans to municipalities to assist in the capital cost of downtown improvement.

(2) Where

(a) the Minister of Municipal Affairs requests an expenditure to be made from the fund, and

(b) the Comptroller General certifies that the expenditure is for a purpose designated under subsection (1),

the Minister of Finance shall pay the amount of the expenditure to the person designated by the Minister of Municipal Affairs.

Annex 2

Revitalization Works Financing Agreement

Once a Specified Area has been created, preliminary design of the works completed and the Loan Authorization by-law adopted, an Agreement would be executed between the municipality and the Crown with the specific technical details appended. The Agreement would in effect be a schedule to the by-law.

The following is a brief outline and must not be considered as anything more than a general guide to the contents, rather than the form, of such an Agreement.

Recitals

The municipality may under the authority of Part 16, Division 2 of the **Municipal Act** establish a Specified Area and borrow money from any person, including the Crown, to undertake works and services, including works and services related to the rehabilitation and functioning of downtown areas, for the benefit of the Specified Area.

The municipality affirms that the Specified Area partially or entirely contains or is contained within a downtown area designated by the Minister under the Downtown Revitalization Program Guidelines.

As affirmed in the by-law, the works and services provided under its authority will contribute to the rehabilitation and functioning of the downtown area.

The municipality affirms that the downtown area has sufficient economic viability to warrant the construction of the works, and that the anticipated increase in economic activity will assist in the repayment of the loan.

The municipality affirms that it has a long-range planning policy for the downtown area and its surroundings.

The Crown agrees that the municipality has submitted sufficient material, attached as Appendix ___, to meet the necessary loan conditions.

The municipality agrees to be bound by the design scheme as shown in Appendix ___.

Construction of Works

The municipality shall design, construct, and install the works to municipal standards and in accordance with Appendices ___ to ___, and the design scheme of Appendix ___.

The municipality will design the works to be eligible for and will apply for all capital grants available for the construction of the works. All grants received by the municipality will be applied in reduction of the principal balance of the loan.

The municipality agrees to complete the works by _____ .

Construction Loans

For the purpose of designing, constructing and installing the works in the Specified Area, the Crown will lend to the Municipality an amount equal to 75% of the cost up to an amount not exceeding $ _____ , to be allocated as follows:

pre-design advance	$5,000
street improvements	
_____	
_____	
_____	$
public land acquisition	$
public land or building improvements	
_____	
_____	
_____	
off-street parking	$
land	
improvements	$
TOTAL	$

The Crown will advance the loan to the municipality by installments based on progress claims made by the municipality, setting out the value of the works, described in Appendices __ to __, which are completed or in place as certified by the Municipal Engineer and the Municipal Treasurer.

The Municipality will repay the loan in the manner described in the Agreement.

Conditions of Specified Area and Cost Allocation

It is agreed that the cost of the works shall be allocated in the following manner:

	Specified Area		Municipality	
	$	%	$	%
street improvements				
public land acquisition				
public land or building improvements				
off-street parking				
land improvements				

Repayment of the Loan

Repayment of the Specified Area portion of the loan shall be prorated amongst the owners of real property within the Specified Area.

The municipal portion of the loan shall be levied as part of the annual general mill rate, as part of the utilities or services rates and charges, or appropriated in whole or in part from the development cost charge fund.

The municipality shall repay the loan according to the Schedule of Payments attached as Schedule __.

List of Appendices to be provided by the Municipality

- Design Scheme
- Proposed Works — Highways
- Proposed Works — Parks and Public Lands
- Proposed Works — Public Buildings
- Proposed Works — Off-Street Parking
- Other Associated Work to be Installed Concurrently
- Schedule of Payments
- Other Documents in Support of the General Provisions

DOWNTOWN REVITALIZATION PROGRAM

To Supplement the Guide

1. A brief outline of the program.

2. Steps to a successful project.

3. Resol tions required and sample resolutions.

4. Sample specified area by law.

5. Sample loan agreement and schedules.

This supplement is as brief and to the point as possible and, therefore, does not form any legal or binding responsibility on the Ministry of Municipal Affairs. It is therefore only to be used as an assistance to those who will be working with the program to help prepare the necessary applications and documentation that this Ministry will require over the period in which the program is active in your Municipality. It is, in essence, an administrative working paper.

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DOWNTOWN REVITALIZATION PROGRAM

A brief review of the Funds
available under the Program

Start up Grant

GRANT

Up to $5,000 grant to assist in concept/preliminary planning and initial work prior to applying for loan and facade grants.

Design Advance Loan

LOAN

Up to $10,000 advance to assist in detailed working drawings and cost estimates of capital works project; this will form part of the loan.

Capital Improvement Loan

LOAN

A 75% of capital cost loan up to a maximum of $375,000 to undertake capital works project in the Downtown areas as designated by the Ministry.

Facade Improvement Grant

GRANT

A grant of 20% of costs to improve shop fronts up to a maximum of $200 per metre. The grant will be administered through the Building Inspection process.

Promotion Aid Grants

GRANT

A 25% grant of approved expenditures or a $1.00 per capita for the first 10,000 population, $0.50 per capita for next 50,000 population and $0.20 per capita for remaining population, whichever is the least.

The grant is to assist the merchants organize themselves and promote the downtown area in various ways. Consideration may be given to smaller communities to increase the grant, if requested.

Special Area Loan

LOAN

If Council feels that there is in the Downtown area a special problem that cannot be solved by the above loans and grants, this Ministry may designate a special area. It is advisable to discuss the problem with Ministry staff prior to any application for this special status.

THE MINISTRY WISHES TO EXPRESS THAT THE DOWNTOWN REVITALIZATION PROGRAM HAS BEEN DESIGNED TO BE AS FLEXIBLE AS POSSIBLE SO AS TO ENHANCE RATHER THAN HINDER REVITALIZATION PLANS OF COUNCIL AND MERCHANTS. IT IS, THEREFORE, ALWAYS ADVISABLE TO DISCUSS IDEAS WITH THE MINISTRY TO ASCERTAIN IF ASSISTANCE IS AVAILABLE.

DOWNTOWN REVITALIZATION PROGRAM

The Steps to a Successful Capital Works Project

	RESOLUTIONS

1. Following consultation with the business communities Council decides to apply for designation of its downtown area.
   Resolution A together with a map outlining the area to be designated plus an indication of the number of metres of shop frontage that would be in the area should be forwarded to the Ministry. — A

2. Municipal Affairs returns area designation certificate.

3. Council and Merchants discuss and prepare concept plan and costs.

4. Council applies to Ministry for approval-in-principle. — B, C, D
   Resolution B, C, D with concept plan and cost.

5. Municipal Affairs reviews and approval given in principle.

6. Council and Merchants undertake detailed working drawing and costs.

7. Council enacts specified by law.

8. Council applies for funds and final approval. — E
   Resolution E.

9. Municipal Affairs reviews and final approval given.
   Loan agreement drawn up.

10. Municipal Affairs and Council sign loan agreement.
    Work proceeds and claims made.

THE ABOVE STEPS ARE ONLY A TYPICAL SCENARIO OF WHAT COULD TAKE PLACE IN THE PROCESSING OF THE PROGRAM. AS PREVIOUSLY NOTED, THE PROGRAM IS FLEXIBLE AND VARIOUS STEPS MAY BE ALTERED OR REARRANGED TO SUIT THE NEEDS OF YOUR PROJECT AND MUNICIPALITY.

COUNCIL RESOLUTIONS

The program is based on Council Resolutions. Without these resolutions we, at the Ministry, cannot process the applications and funds. The following is a list of these Resolutions (and sample) that will be needed as the program proceeds.

(A) Initial Request Resolution

A Resolution of Council asking the Ministry to designate the Downtown area as the area to be considered for funding. A Resolution (certified) together with a map outlining the area to be designated plus an indication of the number of metres of shop frontage that would be in the area should be submitted.

Sample Resolution A - Certification of Downtown area

WHEREAS the Ministry of Municipal Affairs has established the Downtown Revitalization Program as a means of encouraging and assisting municipalities and local business to cooperate in the revitalization of downtown areas;

AND WHEREAS Council deems that certain of the improvements eligible for assistance would confer tangible benefits on the business community and the municipality as a whole;

NOW THEREFORE BE IT RESOLVED THAT The Corporation of make application to the Minister of Municipal Affairs for the designation of the area outlined in red on the attached map as a "downtown area" for the purposes of the Downtown Revitalization Program.

I HEREBY CERTIFY the foregoing to be true copy of a Resolution passed by the Municipal Council of
on

_____
Municipal Clerk

Start up Grant - As part of Resolution A

... also request that $.....(up to $5,000) of start up Grant Funds be forwarded to the municipality to assit in preliminary studies relative to down town improvement works.

It is suggested that accompanying the resolution a breakdown of the types of preliminary study and its cost be submitted.

(B) Facade Grants (administrative) Resolution

Initial Request (A) plus a Certified Resolution of Council authorizing the Building Inspector to administer the facade grants under the Downtown Revitalization Program. Resolution only required.

Sample Resolution B - Facade Administration

..... Authorizes the ..... Building Department to administer the facade improvement grant through building permit process .....

(C) Facade Grants (design) Resolution

Initial Request (A) and Facade Grants adminstration (B) plus a Certified Resolution of Council approval of the facade treatment. Resolution plus design layout and costs are required.

Sample Resolution C - Facade Design

..... Approves the facade treatment as outlined in the attached report and the capital costs as stated in that report and through the Building Department are willing to administer the facade improvement grants under the Downtown Revitalization Program.

..... Empowers its staff to negotiate with the Ministry of Municipal Affairs to establish a grant structure to enable the work to proceed.

(D) Capital Improvement Loans (preliminiary) Resolution

Initial Request (A) plus a Certified Resolution of Council approving the proposed works comply with Municipal Policy. Resolution plus initial project concepts and costs are required.

Sample Resolution D - Capital Improvement Loan

..... Approves the concept plan and costs as outlined in the attached report for the proposed Capital Improvements of the downtown area as established under the Downtown Revitalization Program.

..... Request an advance of (up to 15,000*) from the program funds to enable the Municipality to undertake detailed working drawing and costs.

*If start up grant is drawn down then only up to $10,000 can be requested.

(E) Capital Improvement Loans (final) Resolution

Initial Request (A) plus preliminary Capital Improvement Loan (D) plus Resolution of Council approving design concept and costs. Resolution plus costs, design concept and time table of construction are required.

Sample Resolution E - Final Loan Approval

..... Approves the detailed working drawing and cost as detailed in the attached report for the capital improvement of the downtown area as established under the Downtown Revitalization Program.

..... Empowers its staff to negotiate a loan agreement of 75% up to a maximum of $375,000 with the Ministry of Municipal Affairs to enable work to commence on the Downtown Capital Improvements.

N O T E

RESOLUTIONS A TO E COVER ALL SUB-PROGRAMS,

- FACADE GRANTS, LOANS, START UP GRANTS, ETC.

IT IS AT THE DISCRETION OF EACH MUNICIPALITY

TO DECIDE WHICH SUB-PROGRAM OR PROGRAMS IT

WISHES TO USE, AND THEREFORE SHOULD PASS THE

APPROPRIATE RESOLUTION FOR THAT SUB-PROGRAM.

RESOLUTION A IS MANDATORY FOR ALL SUB-PROGRAMS

AS THIS RESOLUTION DESIGNATES THE DOWNTOWN

AREA SO IT CAN RECEIVE THE BENEFITS OF THE

SUB-PROGRAMS.

- - - - -

DRAFT ONLY

DOWNTOWN REVITALIZATION PROGRAM

THIS AGREEMENT made this day of

BETWEEN: THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA represented by the Honourable William N. Vander Zalm, Minister of Municipal Affairs (hereinafter referred to as "the Province")

OF THE FIRST PART

AND: The Corporation of the City of
(hereinafter referred to as "the Municipality")

OF THE SECOND PART

WHEREAS, the Province and the Municipality have agreed to undertake a joint program to assist in the revitalization of an area of the Municipality which has been designated by the Minister of Municipal Affairs under the provision of the Downtown Revitalization Program and hereafter referred to as the Downtown;

AND WHEREAS the Province may pursuant to Act 1980 "grant aid to Municipalities and the business community to revitalize downtown areas and to provide loans to municipalities to assist in the capital cost of downtown improvement".

NOW THEREFORE this agreement witnesses that the parties have to undertake and to revitalize the downtown, agree as follows:

(1) The Municipality affirms that the works as specified in Schedule A are part of a plan to improve the Downtown as certified by the Minister of Municipal Affairs.

(2) The Municipality affirms that the costs of these works are considered by Council to reflect the projects as approved in the planning and concepts status and are in accordance with the wishes of those merchants so affected.

(3) The Municipality agrees to complete the works by .....

(4) The Province will lend to the Municipality an amount not to exceed $ ..... at an interest and repayment rate as specified in Schedule B. The annual payment date to commence at the date of execution of this agreement or as mutually agreed to by both parties.

(5) The Municipality will forward to the Province on completion of the project a final completion statement signed by the Municipal Engineer or such other Municipal Administrative staff agreed to by both partners. The Province will then amend Schedule B and loan amount to conform to final capital costs as stated in the final completion statement.

(6) The Province will advance upon execution of this agreement an amount not exceeding $ to assist in preparation of working drawings.

(7) The Province will forgive payment of 1/3 of clause 6 to be deducted from first payment as established in Schedule B on the condition that the works as stated in Schedule A are proceeded with.

(8) The Province will advance portions of the loan to the municipality from time to time by instalments based on progress claims made by the municipality.

(9) The municipality will repay the loan together with all other monies payable at the time and in the manner that the Province deems fit.

(10) The outstanding principal balance of the loan shall be determined from time to time by reference to Schedule B and the records of the Province as to the unpaid principal balance of the loan shall be final and conclusive.

(11) The municipality undertakes to enact necessary rates, taxing, charging by laws, etc.

(12) The municipality will arrange suitable opening ceremonies or other publicity to which representatives of the Province will be invited unless with agreement of the municipality and Province, it is decided no such ceremony is necessary.

(13) The municipality will keep a photographic and ongoing recording/reporting system to enable both parties to examine the effectiveness of the program and such program delivery problems and concerns as may arise.

In witness whereof this agreement is signed on behalf of the Municipality of this day of 1981.

_____

Mayor

seal

_____

Clerk

And in witness whereof this agreement is signed on behalf of the Province this day of 1981.

_____

Minister of Municipal Affairs

SCHEDULE A

Municipality of --- ---

DOWNTOWN REVITALIZATION PROGRAM

From corner of 7th Street to 5th Ave
to corner between 9th Street and 7th Ave

A. Road Construction

1. Remove existing sidewalk and curb 500 lin. ft.
2. Remove existing asphalt 10,350 sq. ft.
3. Rebuild existing base

Total ..... $ 3,000

B. Paving

200 tonne @ 30.00 6,000

C. Curb and Gutters

400' @ 7 2,800

D. New Building Curbs

400' @ 5 2,000

E. Paving Blocks

(Sidewalks) 2,000 sq. ft. 9,000

F. Seating Areas and Trees 2,500

G. Ornamental Lights

4 @ 2,400.00 9,600

34,900

SCHEDULE B

Municipality of --- ---

MFA 13.5%

Loan 250,000

Years	Interest Rate	Loan Balance End of Year	Principal Paid	Interest	P & I Payment
1	0	250,000	0	0	0
2	0	250,000	0	0	0
3	5.4%	225,000	25,000	13,500	38,500
4	5.4%	200,000	25,000	12,150	37,150
5	5.4%	175,000	25,000	10,800	35,800
6	5.4%	150,000	25,000	9,450	34,450
7	10.8%	125,000	25,000	16,200	41,200
8	10.8%	100,000	25,000	13,500	38,500
9	10.8%	75,000	25,000	10,800	35,800
10	13.5%	50,000	25,000	10,125	35,125
11	13.5%	25,000	25,000	6,750	31,750
12	13.5%	0	25,000	3,375	28,375
			$250,000	$106,650	$356,650

MUNICIPALITY

By-law No. _____

A by-law to establish a specified area for the purpose of revitalization of an area within the "Downtown Core" of the (corporate name) and to authorize the borrowing of funds necessary thereto.

WHEREAS Division (2) of Part 16 of the Municipal Act, being Chapter 290, R.S.B.C. 1979, and all amendments thereto, provides Council with the authority to establish areas for the financing of works therefor;

AND WHEREAS the Council of (corporate name) has received a petition from the owners of certain properties lying within the downtown area of the municipality to have certain works undertaken to contribute to the rehabilitation and functioning of the downtown core of the municipality; *

AND WHEREAS the Clerk of (corporate name) has determined the sufficiency of the petition pursuant to section 658 of the Municipal Act;

AND WHEREAS the cost for such works is estimated to be _____ which is the amount of debt intended to be created by this by-law;

AND WHEREAS financing of the proposal may be carried out in part through the Special Funds Act, 1980 and the Municipal Finance Authority of British Columbia;

AND WHEREAS the amount of the assessed value for the municipality for general municipal purposes of the taxable land and improvements for the current year and for each of the two years immediately preceding the current year were:

1981 ..... $ _____

1980 ..... $ _____

1979 ..... $ _____

AND WHEREAS the amount of the assessed value for the "Specified Area" for general municipal purposes of the taxable land and improvements for the current year and for each of the two years immediately preceding the current year were:

1981 ..... $ _____

1980 ..... $ _____

1979 ..... $ _____

AND WHEREAS the depreciated value as at the 31st day of December 19 of (utility systems and other municipal enterprises for which the municipality possesses (a) subsisting certificate(s) of self-liquidation granted by the Inspector of Municipalities was $ _____).

AND WHEREAS the amount of the authorized debenture debt of the municipality is _____ of which _____ is existing outstanding debenture interest of the debenture debt of the municipality is in arrears;

AND WHEREAS the maximum term for which debentures may be issued to secure the debt created by this by-law is _____ years;

* N.B. - Establishment of a specified area can also be by initiative of Council or assent of electors, changes will be required to these recitals accordingly.

NOW THEREFORE the Council of (corporate name) in open meeting assemble enacts as follows:

1. The Council of (corporate name) is hereby empowered and authorized

   (1) to establish a specified area hereinafter referred to as the "_____ Specified Area" and such area shall be comprised of that tract of land more particularly described in Schedule "A" and outlined in red on Schedule "B" which are attached to and form part of this by-law;

   (2) to undertake and carry out or cause to be carried out _____ _____ in accordance with plans on file in the office of the municipality and to do all things necessary in connection therewith and without limiting the generality of the foregoing.

      (a) to borrow upon the credit of the municipality a sum not exceeding $ _____ and in connection therewith to enter into an agreement with the Province of British Columbia under the Downtown Revitalization Program pursuant to the Special Funds Act, 1980, for the term financing of all or a portion of such sum;

      (b) to acquire all such easements, right-of-way, licences, rights or authorities as may be requisite or desirable for or in connection with the construction of the said works.

2. The cost of providing _____shall be borne by the owners of the land in the said specified area, and a sum sufficient therefor shall be recovered for such period of time as is necessary, by the imposition of a frontage tax or parcel tax to be imposed by by-law under the provisions of the Municipal Act and or a levy on all lands and improvements or improvements only on the basis of assessment as fixed for general municipal purposes.

3. The specified area established by this by-law may be merged with any other specified area or areas for the same purpose, whether contiguous or not, in the manner provided in section 677(3) of the Municipal Act.

4. This by-law may be cited as "Downtown Revitalization Specified Area Establishment and Loan Authorization By-law No. _____".

DATE:

TO: Council of

RE: Petition for the Revitalization of a Specified Area of the Downtown Core Area

(1) The petition of the undersigned owners of land abutting directly on the work hereinafter referred to, agree as follows:

(a) That it is considered expedient to reconstruct .....
"What and Where" .....

(b) That such works be constructed under the terms of the Specified Area section of the Municipal Act, and the Province of British Columbia's Downtown Revitalization Program.

(c) That is is estimated the cost of the above described work will be $ _____, of which _____% of the annual debt cost of of same will be paid for by the property owners abutting the works on a specified area annual frontage tax basis, estimatec at $ _____ per foot per annum for _____ years.

(2) You petitioners therefore request:

That the works described in 1(a) above be constructed as a specified area project under the terms and conditions of the Downtown Revitalization Program.

Signature of Petitioner	Address of Petitioner	Lot and Plan Number of Land Owned by Petitioner